

of this section is one in which the Secretary of the Treasury determines that the foreign currency or credits owned by the United States and available for use in such nation are in excess of the normal requirements of the Departments and agencies of the United States for expenditures in such nation for the 2 fiscal years following the fiscal year in which such determination is made. The amendment provides that the amount of any such excess currency shall be devoted, to the extent practicable and without regard to the requirements of section 1415 of the Supplemental Appropriation Act, to the acquisition of sites, buildings, and grounds and to assist the purchasing nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. The President is required to advise the House and Senate Agricultural Committees of a determination by the Secretary of the Treasury that a country has become an excess currency country and to keep such committees advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

TERMS OF DOLLAR CREDIT SALES

The House bill (sec. 106) permitted sales on long-term dollar credit on the same terms authorized for development loans under section 201 of the Foreign Assistance Act of 1961, as amended. This is presently a 40-year repayment period with a 10-year grace period during which no payments on the principal would have to be made, with interest at 1 percent during the grace period and 2½ percent thereafter. The Senate amendment reduced the payment period to 20 years and the grace period to 2 years and limited the delivery period of commodities under such an agreement to not more than 10 years. This is substantially the provision of the present law. In view of the provision in section 103(b) for foreign currency credit sales with the requirement that the currency be fully convertible to dollars, and with a maximum term similar to that in section 106 of the bill as passed by the House, the House conferees accepted the Senate amendment to section 106.

This amendment also requires that local currency proceeds of sales of commodities on long-term dollar credit be used in the recipient country for economic development purposes agreed upon between the two governments at the time the sale is made and written into the sales agreement.

LONG-TERM DOLLAR CREDIT SALES BY THE PRIVATE TRADE

Although the Senate amendment had substantially altered section 107, dealing with long-term dollar credit sales by the private trade, the conferees adopted substantially the House language on this section. The language adopted by the conference requires that the provisions of section 106 should apply to private trade dollar credit with respect also to the 10-year maximum delivery period and the 2-year deferral of the first payment. It also added to section 107(b) the requirement that the Secretary should take reasonable precautions to safeguard the usual marketings of the United States.

Section 107(d) stipulates the other sections of the act which are applicable to private trade agreements and to those listed in the House bill were added: Section 103(a) requiring the President to take self-help efforts into account; section 110 bringing private trade agreements within the total authorization of \$1.9 billion in any year, plus carryover; section 401 providing for determination by the Secretary of Agriculture of commodities available for export and prohibiting dispositions which would result in a shortage; section 404 providing that assistance be directed toward humanitarian objectives and

United States interests; and section 405 providing for assistance to countries helping themselves to meet their food needs and population growth problems. Those provisions of section 103(d) which relate only to foreign currency sales do not, of course, apply to this section.

In agreeing to the House language of section 107, with the amendments noted, the conferees make the following observations about this section:

First, the agricultural commodities which may be exported under the authority of this section include livestock, if the particular livestock to be exported meet the requirements set out in section 401 with respect to available agricultural commodities generally; second, the term "private economic enterprise" in section 107(a) is intended to include private housing developments.

CCC COMMERCIAL EXPORT CREDIT

Section 107 of the House bill also contained a provision permitting CCC export credit (now limited to CCC stocks) to be used also in the export of private stocks, and authorizing appropriations to CCC to reimburse it for credits extended under such program. The conferees have deleted this from section 107 of the revised language of Public Law 480 and have made it a separate section of the bill, appearing near the end as a new section 4.

OCEAN FREIGHT CHARGES

The conference adopted, with an amendment, the Senate language of section 108, dealing with payment of ocean freight charges. This provides that CCC may finance ocean freight charges for sales of agricultural commodities for foreign currencies only to the extent that such charges are higher than would otherwise be the case by reason of the requirement that commodities be transported on United States flag vessels. The balance of such charges for transportation in United States vessels is to be paid in dollars by the recipient nation or organization. This limitation does not apply to sales for dollar credit under sections 106 or 107 or sales on foreign currency credit terms (requiring full convertibility to dollars) under section 103(b).

SELF-HELP FOR AGRICULTURE

The conferees adopted a Senate amendment making it clear that the proviso in section 109, relating to self-help for agriculture in recipient countries, is to be a positive requirement that 20 percent of certain currencies be set aside for the self-help purposes described in section 109, rather than a standard suggested for the President's consideration.

STIPULATION OF SELF-HELP PROGRAM IN AGREEMENTS

The conferees also accepted a Senate amendment to section 109 which provides that each agreement entered into shall describe the programs which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities and for termination of such agreement whenever the President finds that such a program is not being adequately developed.

AUTHORIZATION FOR TITLE I

The House bill provided an annual authorization of not to exceed \$2.5 billion, plus carryover, for title I. The Senate reduced this authorization to \$1.9 billion, plus carryover, and the conferees have agreed to the Senate figure.

ASSISTANCE TO NEEDY PERSONS

The conferees accepted a Senate amendment making it clear that assistance to needy persons authorized in section 201 is limited to agricultural commodity assistance. This is consistent with the intention of the House language.

AUTHORIZATION FOR TITLE II

The House bill authorized programs of assistance (donations) under title II or not to exceed \$800 million per year, plus carryover. The Senate reduced this figure to \$600 million per year, plus carryover, and the committee of conference has accepted the Senate figure.

ASSISTANCE OF OTHER COUNTRIES

The committee of conference accepted a Senate provision stating that it is the sense of Congress that the President should encourage other advanced nations to make increased contributions for the purpose of combatting world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs. The section also states that it is further the sense of Congress that as a means of achieving this objective, the United States should work for expansion of the United Nations world food program beyond its present established goals.

GUIDELINES AS TO "AVAILABILITY"

The conference agreed to a Senate amendment to section 401 establishing guidelines as to the availability of commodities for export under Public Law 480 and providing that no commodity shall be available for such distribution if it should reduce the domestic supply of such commodity below the quantity needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars. The conferees did not agree to a Senate amendment to section 401 which would have placed in the Secretary of Agriculture (instead of the President) the authority to determine the countries with which sales agreements would be made.

AGRICULTURAL COMMODITY

The conference agreed to a Senate amendment making it clear that the term "agricultural commodity" as used in this act means only agricultural commodities produced in the United States. This is merely a clarification of the intent of the House.

ALCOHOLIC BEVERAGES AND TOBACCO

The conference also agreed to a Senate amendment prohibiting the sale or donation of alcoholic beverages under this act and the donation of tobacco or tobacco products. This is a restatement of the existing policies under which Public Law 480 is operated. No alcoholic beverages have ever been exported either by sale or through a donation program and tobacco has never been included in any donation program. In accepting this amendment the conferees intend that the Department of Agriculture shall continue its efforts to export tobacco as part of the sales programs authorized under title I of this act.

BUDGET PRESENTATION

The conference agreed to a Senate amendment to section 403 requiring that the President, in presenting his budget, shall classify expenditures under this act as expenditures for international affairs and finance, rather than for agriculture and agricultural resources.

ADVISORY COMMITTEE

The conferees agreed to a Senate amendment to section 407, establishing a joint legislative-executive advisory committee on Public Law 480, which would add to the membership of the committee the Secretary of State, the Secretary of the Treasury, and the two ranking majority and minority members of the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations.

ANNUAL REPORT

The conferees agreed to a Senate amendment requiring the President's annual report to be made not later than April 1, and to describe the progress of each country's self-help program.

COTTON PRODUCTS

The House bill contained an amendment to section 8 of the Public Law 89-931 (not a part of Public Law 480) providing that cotton products could be exported under Public Law 480, if cotton constituted a "substantial portion" of the sales price. The conference committee has agreed to the Senate wording of this provision, with an amendment, providing that cotton products may be financed under Public Law 480 "in the same manner as any other agricultural commodity or product is made available" if the product to be financed is manufactured "entirely" of cotton. This would permit cotton product exports to be financed under the same circumstances as the products of other agricultural commodities.

ADJUSTMENT PROGRAMS

The House bill contained a provision requiring the Secretary of Agriculture, in planning voluntary production adjustment programs, to plan for a carryover at the end of the marketing year of not less than 25 percent of the total estimated requirements of such marketing year. The conferees agreed to strike this provision of the House bill.

CCC RESALE PRICE

The House bill contained a provision (not a part of Public Law 480) that whenever the Secretary of Agriculture determines that the carryover at the end of any marketing year, of a price supported agricultural commodity for which a voluntary adjustment program is in effect, will be less than 25 percent of the estimated export and domestic consumption of such commodity, the CCC would be prohibited from selling any of its stocks of such commodity during such year for unrestricted use at less than 115 percent of the current support loan plus reasonable carrying charges (instead of 105 percent of the support loan plus carrying charges, as provided in existing law). The Senate amendment changed the 115 percent resale price to 120 percent and put in a special provision with respect to wheat that the higher resale price should become effective if the carryover dropped below 35 percent (instead of 25 percent as for other commodities). The conferees agreed to the House language with respect to commodities other than wheat and for wheat agreed that the 115 percent resale minimum should become effective if the carryover dropped below 35 percent and that the CCC resale minimum should be 120 percent if the supply dropped below 25 percent.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
HARLAN HAGEN,
GRAHAM PURCELL,
ALBERT H. QUIE,
CATHERINE MAY,

Managers on the Part of the House.

U.S. TROOPS IN THE MEKONG DELTA AREA

(Mr. BINGHAM asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. BINGHAM. Mr. Speaker, for some weeks there have been reports that the administration was giving serious consideration to sending U.S. troops into the Mekong Delta region in South Vietnam where no operational U.S. land forces have been before. An article in today's Washington Post indicates that such a decision is imminent.

Such an extension of U.S. military activities in Vietnam into an area where there are no North Vietnamese troops would be most unfortunate, especially

coming so soon after Ambassador Goldberg's splendid speech at the United Nations. Surely Hanoi's prompt and predictable rejection of the Goldberg initiative should not be accepted as the final answer. A move now to extend and expand the war would make the Goldberg offer look like a phony, which is just what the Communists say it is. Such a move would largely destroy the good effects of the Goldberg initiative upon the member states at the United Nations General Assembly and upon the state of mind of the Secretary General, U Thant.

The reason given in the Post story for the projected move of American troops into the delta area is that it is needed to prevent a large part of the rice harvest from being diverted by the Vietcong, as it has been in the past.

It seems almost incredible that we could be thinking of sending American troops into this large and difficult area for such a reason. In the delta region South Vietnamese troops are opposing the Vietcong in what is essentially a civil war, with both sides receiving aid from outside. According to the Post story, "The commander of the Vietnamese 4th Corps area, which groups in the delta Provinces, has long opposed the introduction of U.S. troops," and, further: "Many Vietnamese claim the Mekong Delta, which is the greatest concentration of the country's 16 million people, is the only area not dominated by Americans, and they want to keep it that way."

It is clear that a large number of American troops would be required to protect the rice harvest and make sure that the rice gets into South Vietnamese hands. Surely it would be far less expensive, as well as far more desirable politically, for the United States to supply whatever rice may be diverted if American troops are not sent in.

Following is the text of the article in this morning's Washington Post:

DECISION NEAR ON USING GI'S TO GUARD VIET RICE

(By John Maffre)

A decision is imminent in South Vietnam on sending the first U.S. troops into the densely populated Mekong Delta in time to help guard the rice harvest and to assure that most of it reaches Saigon.

The U.S. Mission there has been holding increasingly urgent talks on this touchy political point, it was learned here. So far U.S. troops have been deployed only in three of the four military corps areas of South Vietnam.

But a decision is being forced on South Vietnamese and American authorities, AID officials here say, because the Vietcong skill at siphoning off the crop has forced a massive importation of U.S. rice for the third successive year into a country once known as the rice basket of Asia.

AID officials say a major problem is the Cambodian rice dealers, mostly Chinese, who traffic with the Vietcong to get rice to sell abroad. Officials say that Cambodia is exporting rising amounts of rice to countries in Africa—once a prime South Vietnamese market—despite a static level of production in Cambodia.

Some Americans say that a higher level of priority must be given to the river patrol activity if there is to be any effective check on the amount of rice flowing north to Cambodia instead of east to Saigon.

The introduction of U.S. troops into the Delta would invoke not only strictly military problems but political and emotional ones that the Mission has tried to avoid.

The commander of the Vietnamese Fourth Corps area, which groups in the Delta provinces, has long opposed the introduction of U.S. troops. Despite the buildup elsewhere, the three understrength South Vietnamese divisions in the Delta are aided only by American advisers and given air support by U.S.A.F. and U.S. Army aviation units.

STATUS QUO BOUGHT

Many Vietnamese claim the Mekong Delta, which is the greatest concentration of the country's 16 million people, is the only area not dominated by Americans, and they want to keep it that way.

U.S. military leaders, on the other hand, are convinced that South Vietnam must remain in a state of siege until government or American troops or both can break the physical and economic grip which the Vietcong and their predecessors, the Vietminh, have exerted on the area since the early 1940s.

In the past three years Saigon's control area of the Delta has shrunk. There have been relatively few major military actions in the region compared to the fights north of Saigon, in the central highlands and near the 17th parallel.

The biggest military problem is that harvest protection in the vast Delta would swallow the large number of troops.

SMALL FIELDS PROTECTED

In previous years U.S. Army and Marine Corps units have protected the harvest of small, selected rice fields north of Saigon. This did not require a large troop deployment and it also paid off psychologically among the peasants who were protected.

But the Delta is a larger problem. Ideally, much of this protection should come from the National Police, which now total 55,000 and from provincial and district militiamen. But Public Safety experts here say this force is nowhere near the level or the competence needed for such a task.

Apart from shepherding the peasants as they gather rice, a major job will be to guarantee that the ramshackle trucks and barges loaded with rice can be protected on their way to the mills of Saigon or other major points in the delta.

Some AID experts here estimated that South Vietnam, which in 1963 exported about 323,000 tons of rice from its 3-million-ton production, will probably have to import more than 600,000 tons in 1966 to feed its people.

TRADE ACTIVITY AND POTENTIAL IN PUERTO RICO

(Mr. POLANCO-ABREU asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. POLANCO-ABREU. Mr. Speaker, in connection with the opening of World Trade Week in Puerto Rico and the Virgin Islands, Secretary of Commerce John T. Connor, made an address at the Sheraton Hotel in Santurce, P.R., on September 18, 1966. On this occasion, Secretary Connor delivered a message from President Johnson and then added his own observations on trade activity and potential in Puerto Rico. I should like to bring this address to the attention of our colleagues who, I am sure, are interested in what we are doing tradewise in Puerto Rico and how we are seeking world markets for our industrial products.

September 27, 1966

Question. Might the U.S. dollar also benefit?

Answer. Total currency swaps between the U.S. and 11 other nations and the Bank for International Settlements now aggregate 4.5 billion dollars, compared with 2.8 billion dollars prior to the increase announced in mid-September.

The added resources in foreign currencies could prove very useful if, in the future, the dollar should come under speculative attack. As a matter of fact, the U.S. has already used currency swaps from time to time to ease pressure on the dollar. At latest count, the U.S. was using 235 million dollars under these swap arrangements.

Question. Is U.S. help for the pound putting a strain on the dollar?

Answer. It seems clear that the support of sterling does place an added strain on the American international monetary position.

The U.S. provides support in the form of dollars to the British. These dollars are used to purchase sterling.

The supply of dollars in foreign hands is thereby increased and as a result, the incentive to convert dollars into gold increases.

Question. Do European bankers feel that, in supporting the British pound, the U.S. is sending good money after bad?

Answer. I am sure that quite a few Europeans are convinced that the present parity of sterling cannot be supported and that, consequently, the U.S. is sending good money after bad.

Question. Is this a majority view among Europeans?

Answer. I cannot say as to the majority view, but there clearly is an underlying lack of confidence in sterling. Notwithstanding this feeling, I sense that European bankers recognize the need to try to forestall a devaluation of sterling, and are willing to commit resources to this end.

IF POUND IS DEVALUED

Question. What might Great Britain achieve if the pound were devalued?

Answer. The majority view in Europe, in my judgment, is that a devaluation of sterling would be of little real benefit to the U.K., even in the short run, and would probably be of no lasting benefit.

While a devaluation would reduce the cost of British exports to a foreign buyer, it would also raise the cost of imports, and Britain's imports have been exceeding her exports.

Question. Would other European countries permit Britain to devalue without following suit?

Answer. There is agreement in Europe that the United Kingdom is not free to make a unilateral devaluation of sterling of large proportions.

Question. What would be considered a big devaluation?

Answer. If sterling were to be devalued by, say, roughly 30 per cent—a \$2 parity instead of \$2.80—other countries would also devalue their currencies. After other currencies were devalued, the net advantage to Britain would certainly be reduced.

Opinions differ as to how much net devaluation of sterling would be permitted by the other European countries. The prevailing view seems to be that 10 to 15 per cent might be the maximum.

Devaluation of this magnitude—10 to 15 per cent—in the judgment of many Europeans would be of no significant help to the British, even in the short run.

The prevailing point of view, thus, is that the Europeans doubt that a devaluation would be of any real benefit to sterling, yet fear that the British may be forced into a devaluation.

Question. The 1949 devaluation of the pound amounted to 30 per cent, didn't it?

Answer. Yes, that is right—from \$4.03 to \$2.80.

Question. Could the U.S. dollar stand up under a 30 per cent devaluation of the pound? Would the dollar be forced under?

Answer. A 30 per cent cut in the value of the pound, in my view, would trigger a chain reaction. All major countries—including the U.S.—probably would have to realign their currencies.

Question. Devaluation of the dollar would be accomplished by—

Answer. By raising the price of gold, now fixed by the U.S. Treasury at \$35 an ounce. You would cheapen the dollar, make it worth less in terms of gold.

Question. If a dollar crisis or devaluation should be forced, might that upset the U.S. economy—lead to a recession, or worse?

Answer. I believe that a dollar crisis would have serious effects upon the American economy. Given such a situation, the securities markets would be under the pressure of foreign selling, the commercial banks would lose deposits, a mounting gold outflow would further weaken confidence in the dollar abroad and possibly at home, and fear that the dollar might be devalued would pose great uncertainties for business and financial transactions, especially those with other countries.

Given a major dollar crisis, the Government would find it necessary to intervene with a highly restrictive program, if the dollar were to be defended. Such a program would have adverse effects upon business activity in the United States.

Question. This sounds like a pretty gloomy prospect. Have other countries been forced to take such strong medicine?

Answer. Yes, indeed.

Both Canada and Italy were forced to pull in their economic belts to defend their currencies. The United Kingdom provides an excellent present-day illustration of the sort of drastic action that a country may be forced to undertake: higher taxes, rationing of credit, very high interest rates, controls over foreign investment, controls over incomes and prices, limitations on tourist spending, and the like. This program will mean lower levels of business activity and increased unemployment in Great Britain.

Question. Is the feeling in Europe that the dollar itself is on the way to forced devaluation?

Answer. I doubt that many European bankers would take the categorical position that the dollar is on the way to devaluation. I do believe, however, that the great majority would point out the dangers inherent in the American policy of delaying effective action to get its balance of payments in order.

Europeans frankly will tell you that the persistent decline in the gold stock of the U.S. and the increased liabilities to foreigners may—at some point that cannot be told in advance—cause a serious run on the dollar.

Question. Might the U.S., at some point, decide to cut loose from gold—stop buying and selling gold for dollars?

Answer. Monetary authorities have no hesitation in adding gold to their monetary reserves, whereas they are loath to add indefinitely to their holdings of dollars or pounds.

I am confident, if the link between the dollar and gold is broken, it will be the result of adverse circumstances and not reflect a conscious desire or choice on the part of U.S. monetary authorities.

HOW UNITED STATES COULD LOSE GOLD

Question. Some American economists argue that the dollar gives value to gold, instead of the other way around. Are they correct?

Answer. I find no support abroad for that thesis. I am sure that, if the U.S. were to invite and urge the monetary authorities around the world to convert their dollars into gold, our gold stock would reach the vanishing point in a matter of days or weeks.

Question. Would the situation be different

if the U.S. were to announce that it would not stand ready in the future to continue to buy gold at \$35 an ounce?

Answer. No, it would not. The gold still would flood out of the country. World bankers would be delighted to give up paper dollars.

After all, the U.S. has been a net seller of gold in 12 out of the past 20 years—paying out nearly 12 billion dollars in gold to the rest of the world.

NEED FOR PUBLIC DISCUSSION OF COURSE OF WAR IN VIETNAM

Mr. FULBRIGHT. Mr. President, one of our most distinguished and experienced statesmen, George F. Kennan, has written a letter to the New York Times which was published in that newspaper on September 25. I ask unanimous consent that it be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FULBRIGHT. Mr. President, Mr. Kennan urges a new round of public discussion of our course in Vietnam because of the "strong possibility that we may be approaching the point of no return in the drift toward major war, the growing apprehension in world opinion, and the current session of the U.N. General Assembly."

For those who do not see the importance of heeding world opinion, or the views expressed at the United Nations, Mr. Kennan has an answer—an answer that requires the humility of introspection. In his usually articulate way, Mr. Kennan wrote the Times:

I stress international opinion, and particularly the views expressed by Pope Paul and Secretary General Thant. For while we obviously must continue to bear the major measure of responsibility for our own course, a nation whose very claim to independence was founded on "a decent respect to the opinions of mankind" owes it to itself to show respect for the feelings of the world community and to make concessions to them even when it does not fully agree with them. Its long-term interests are not likely to be damaged by doing so.

Mr. Kennan then concludes that "a decent respect to the opinions of mankind" means that we should taper off and eventually end the bombing of North Vietnam. The case he makes for doing so should be considered by every reasonable American:

The fact that the benefits of this tremendous effort of strategic bombing are not, even after many months of its prosecution, visible to the casual outside observer does not, of course, prove that such benefits do not exist. But to balance off the negative effects on world opinion and on the prospects for a peaceful resolution of the conflict, not to mention the suffering it must bring to innocent civilians, these benefits would have to be of a very high order indeed; and this they obviously have not been.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks the text of an editorial, entitled "Will to Peace," which was published in the New York Times of September 25.

The PRESIDING OFFICER. Without objection, it is so ordered.

September 27, 1966

22937

Answer. Trends are adverse in some of the basic elements of the American balance of payments.

For example, due to the persistent rise of imports at a faster rate than the increase in exports, the American surplus on foreign trade will be lower this year than it was last, and the trade surplus may shrink further in 1967.

The drain of tourist expenditures will show another of its regular increases this year, and may be expected to rise again in 1967.

What is especially adverse is the mounting cost of our military operations in Asia. Unless the unlikely occurs, these costs will keep rising.

The net of this is that the chances of any improvement in the American payments position are bleak indeed.

Question. Do European bankers say what needs to be done to assure a sound dollar?

Answer. Many Europeans are critical of the economic policies being followed in the U.S. For one thing, they have been skeptical about whether guideposts for wages and prices would achieve anything. This point of view reflects European experience. "Incomes policy" and guidelines have been attempted in Europe, but they have failed.

For another, they are critical of the U.S. for not raising taxes and cutting Government spending to cope with the overheated boom. Once again they are reflecting their own experience: European countries, for political reasons, have not seen fit to raise their taxes, either.

In short, there is a feeling in Europe that, through indecision and inaction, the United States has joined the "inflation club."

Question. Is Europe willing to go along with a continued outflow of dollars from the U.S. as a by-product of Vietnam?

Answer. The American involvement in Asia is not very popular in Europe, and I found little or no evidence of a willingness to condone or to accept continued American payments deficits because of Vietnam.

Indeed, Europeans criticize the present official American attitude, which is to accept the payments deficit because of Vietnam rather than to undertake strenuous corrective action.

Question. Is it any of Europe's business how the U.S. handles the dollar?

Answer. A major reason Europeans have a right to be concerned about the dollar is that they hold so many of them. If the dollar were to be devalued—cheaper in terms of gold and other currencies—Europeans would take losses. Holdings of short-term dollar assets by European central banks total more than 7 billion dollars. Private holdings of dollars by Europeans add up to almost another 5 billion.

Europeans hold long-term bonds on which they would similarly suffer a loss in the event of dollar devaluation.

What is more, Europeans have direct investments in the U.S. on which earnings are payable in dollars.

These are good, sufficient and substantial reasons for their concern about what happens to the dollar.

Question. Are they worried also because troubles for the dollar might upset the whole world money system?

Answer. Europeans are well aware that the dollar plays a key role in the world monetary system. Devaluation of the dollar would mean great chaos and confusion in the international monetary area and could conceivably set off a chain reaction of devaluations of other currencies.

Europeans remember the competitive devaluations of the 1930s and the increases in tariffs and restrictions upon international trade, commerce and finance which resulted.

Question. Do European bankers feel that it is time for the U.S. to be more frugal in the way it lends and spends dollars in the outside world?

Answer. Yes, I would say so.

Question. More specifically, would European bankers favor a reduction in U.S. troops in Europe as a way of saving dollars?

Answer. There is no unanimity of thought among bankers on the question of troop withdrawal. On this issue, European bankers, like others, reflect their particular national interests.

Question. How about reducing U.S. foreign aid?

Answer. You generally find backing for the idea of cuts in foreign aid. The feeling is that American aid spending has not achieved a great deal, and that the continued outpouring of dollars weakens the dollar without contributing a great deal to positive progress in the aid-receiving countries.

The curiosity of some European bankers has been whetted by the receipt of large amounts of dollars from parts of the world which are not wealthy in their own right but which are receiving substantial amounts of American aid.

Question. Is this money showing up in numbered accounts in Switzerland?

Answer. That is my distinct impression. I doubt, however, that the influx of funds is limited to Switzerland.

Question. Could this mean that U.S. aid might in some part be siphoned off by officials or others for private gain, and not go to help the countries very much?

Answer. Yes, one hears this view expressed in Europe. In addition, of course, there is mention of the waste of resources on uneconomic projects, and the wastes that result from bad management.

Question. Would Europeans advise placing a limit on travel by Americans abroad?

Answer. No, there is no support for that idea.

Question. Would Europeans object to exchange controls by the United States as a way of cutting down on the outflow of dollars?

Answer. Yes, decidedly. European bankers would definitely and positively object to the imposition of exchange controls.

The dollar is the world's leading currency because the holder is generally free to use it for any purpose. Foreign businesses, banks and individuals are willing to accept dollars because they believe they will be free to use them when, where and how they please.

If this freedom to use dollars were to be limited by the imposition of exchange controls, the usefulness and position of the dollar in world trade and finance would be seriously impaired.

Question. What role does the dollar now play in the world?

Answer. The dollar plays a number of different but related roles.

It is, first of all, the leading reserve currency in the world. That is, foreign central banks and monetary authorities hold dollars—in the form of bank deposits or short-term securities—as part of their international monetary reserves.

A few figures put this role of the dollar in perspective. Total gold and foreign-exchange reserves of the Western world amount to 63.8 billion dollars. Of this total, 41 billion dollars is held in the form of gold. The second largest holding is in dollars—13.5 billion dollars, or 21 per cent of total world monetary reserves.

Question. Is there another role for the dollar?

Answer. The dollar also is the currency universally, or almost universally, used by monetary authorities in operations in the foreign-exchange markets.

And, of course, the dollar plays a very important role in world trade and finance. Foreign-trade transactions may be denominated in dollars, even though the U.S. may not be a party to the transaction.

Question. Dr. Belenson, a moment ago you mentioned possible trouble for the dollar because of the British pound. Is the British pound now in a strong position?

Answer. I would think that sterling should escape serious trouble for the next few months at least.

Yet, looking further ahead, I encountered widespread skepticism on the Continent that the present \$2.80 parity of sterling could be held.

Question. What causes the skepticism?

Answer. The underlying cause seems to be a doubt as to whether the British—labor, management and the politicians—will do what is required to raise productivity, to curb the increase in wage costs and prices, and to achieve substantial improvement in the foreign-trade position of the United Kingdom.

Question. Is the U.S. now holding up the pound?

Answer. I think it is an exaggeration to say that the U.S. is supporting the pound.

Until the latest sterling crisis, the funds for the support of sterling came from the International Monetary Fund in the amount of 2.4 billion dollars, from the Swiss in the amount of 120 million dollars, from the proceeds of the liquidation of American securities owned by U.K., and from a run-down of British reserves.

No official information has been released as to the amount of funds provided by the U.S., or others, in the latest sterling crisis in July.

However, it has been announced that 300 million dollars of the "swap line" between the U.K. and the Federal Reserve was being used at the end of August.

It is important to note that other countries besides the U.S. have provided funds during the sterling crisis of the past two years, and have entered into arrangements to provide assistance in the future, if required.

Question. Why is that?

Answer. These countries recognize that devaluation of sterling could precipitate a run on the dollar, lead to increased buying of gold on the London market, and thus to a depletion of official gold reserves. All this, if it happened, would create a state of great unsettlement and turmoil in the international monetary system.

Question. On the matter of U.S. support for the pound, didn't the U.S. just increase its line of credit to Britain?

Answer. Yes, it has. The currency-swap arrangement has increased from 750 million dollars to 1.35 billion dollars.

Question. How do these currency swaps work?

Answer. A currency swap is an arrangement under which the central bank of country A can obtain access to the currency of country B.

For example, if the British pound came under speculative attack, and the British needed to support sterling, they could use dollars obtained under the swap agreement to buy sterling on the London market. In addition, the New York Federal Reserve Bank could support sterling in the New York market.

Question. In effect, isn't this a short-term loan from one country to another?

Answer. Yes, that is what it amounts to. It is temporary credit between central banks to tide a country over a short-term difficulty with its currency.

Question. Is the increased credit line for the pound of major importance to that currency?

Answer. I think the hope is that this display of additional resources available to the British will discourage speculation against sterling. Remember, too, that in addition to increased U.S. credit, the British have arranged bigger credit lines with other countries in amounts as yet unspecified.

working hours, when it is necessary for the recruiter to be away from his station. If the services would consolidate their efforts and pool their resources and manpower they could establish recruiting offices that would adequately serve their needs and the public. Furthermore, why tolerate various services bidding against each other like hucksters?

Now, the Comptroller General of the United States estimates that \$21 million of taxpayer's money can be saved annually through consolidation of recruiting offices of the four services. Secretary McNamara and officials in the Department of Defense should initiate this reform without delay.

A few months ago the Comptroller General revealed that in December 1965, 9,000 Army, Navy, and Air Force enlisted personnel, with salaries of \$40 million annually, are assigned to nonmilitary jobs which could be easily filled by civilians. Approximately 5,000 servicemen receiving more than \$23 million a year in pay and allowances, are assigned to activities such as clerks or waiters in officers' and noncommissioned officers' clubs, hobby shops, bowling alleys, and golf courses. The remaining 4,000 are assigned to commissary sales stores. This, despite the fact the Defense Department policy stresses using civilians to the maximum extent possible in positions which do not require military personnel.

In a recent survey of 26 military bases, it was found that 620 enlisted men were assigned to activities providing recreation for officers' dependents—wives and children—of military personnel and even for other servicemen during off-duty hours. This did not include service clubs, gymnasiums, libraries, and field-houses.

Civilians are available locally for almost all the 9,000 nonmilitary jobs assigned to enlisted personnel. For instance, the 4,000 men and women working in commissary sales stores and performing standard supermarket jobs such as stocking fruit, vegetables, and canned goods and operating cash registers. Some soldiers assigned to such duties and at officers' golf courses really have important skills and training.

It is unfortunate that this situation should be permitted, particularly while thousands of American servicemen are fighting in Vietnam, and when our military manpower needs have been severely strained with the Vietnam war and our other worldwide commitments. Can the Secretary of Defense defend allowing or directing GI's acting as bartenders at officers' clubs or baby sitting or running errands for officers' wives? Let us do away with this nonsense.

Mr. President, these are just a couple examples of waste in our military establishments totaling more than \$60 million a year. Undoubtedly, there are other examples of waste that will be exposed as time goes by. In the meantime, the Secretary of Defense should make every effort to end all wastefulness and unnecessary spending that has been exposed.

YUGOSLAV EDITORIAL PROTESTS AND ACCUSES

Mr. LAUSCHE. Mr. President, what is the true attitude of Communist Tito toward the United States?

Have our people been misled by the information which they have been given?

Efforts have been made—and to a substantial degree successfully—to impress the people of the United States that while Tito is a Communist, everything he does with respect to the controversies between the Communist dictators and the United States is helpful in the achievement of our worldwide objective; that is, the promotion of freedom and democracies.

My views before and since I came to the Senate have not been in accord with the efforts to picture Marshal Tito as a friend of the United States. He has been, is, and will be hostile to our country at all times when critical issues develop between nations avowed to communism and those devoted to the cause of freedom and democracy.

Mr. President, the press of Yugoslavia is subject to the absolute dictatorial control of Tito. It prints only those things which are in accord with Tito's general views on international problems.

In the city of Ljubljana, the capital of Slovenia, the newspaper "Delo" is published. The word "delo" in the Slovenian language means "work" or "labor." On August 6, 1966, Delo carried an editorial entitled "We Protest and Accuse." Its purpose is falsely and viciously to place the United States in a cruel and unpardonable light among the Slovene readers of Pogacnik's—Tito's—column. It is an indictment falsely conceived and maliciously written to inflame and embitter the Slovenes of Yugoslavia against the United States.

Not at any time since our country has become involved in the South Vietnamese struggle have I read or listened to a statement so hostile and false to the cause of the United States as that which has come out of the land of Slovenia—the birthplace of my father and mother.

Mr. President, I ask unanimous consent that the translation of the Yugoslav editorial entitled "We Protest and Accuse" be printed in the Record.

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). Without objection, it is so ordered.

The translated editorial is as follows:
[From "Delo" (Ljubljana), Aug. 6, 1966]

WE PROTEST AND ACCUSE

I recall the old Chinese-Vietnamese fairy tale about a prince who had a guest and gave a dance in his honor. "How beautiful are the dancer's hands!" exclaimed the guest. So the prince had the girl's hands chopped off and gave them to his guest as a present.

How much more gory is the tale about the President of the United States Johnson who is staging mass massacres in Vietnam in order to contribute his gift to "democracy."

For whom are the American fighting, anyway, in that hapless Vietnam? The guerrillas and the Northerners are engaged with them in a fight to death; they have, of course, occupied South Vietnam, but there the Buddhists and the intellectuals are burning themselves to death or going on hun-

ger strikes in protest; the people in general are starving and catching bombs in empty fields. The Saigon government is an American puppet: how can the starting point of fight for democracy be a city where this democracy is being choked in its very foundation?

All Asia is indignantly condemning the American invasion, promising countermeasures or at least with great concern offering its good services for peace mediation. Europe, Africa and other continents, disenchanted with the American civilization, are joining this trend. At home, the American government has problems with the rebellion in the Senate; that greatest American minds no longer come to the White House; youth is avoiding the expanding draft. Yet, the adventure continues. Who is behind all this? The accountability of the United States is ever increasing.

The United States grew out of the conquest of the Wild West and ruthless fight for survival, but later Lincoln, Jefferson, Roosevelt, and Kennedy tried to give it human and legal foundations. What the United States under Johnson is doing today, again negates the humanity and legality and is a return to ruthless violence. True, they are trying to devise an excuse of alleged preservation of their own security. But according to human and legal concepts, one can fight for one's own security only on one's own Territory, and on someone else's only when one has been democratically asked by that people. Otherwise one is but a vigilante.

The question is not only one of thousands and thousands of blown-off arms and heads on the Vietnamese people; it is also one of unscrupulous provocation of a general world conflict. It is no wonder, therefore, that the world's moral court decided to call L. B. Johnson to make an account of himself. Philosopher Russell is not an idiot; we are not deaf that we would not hear the bombers; the world is not a puppet which would let its hands be chopped off all the way! We want to be worthy of Lincoln and therefore we all protest and accuse.

(Translated by V. N. Pregelj, Sept. 14, 1966.)

Mr. LAUSCHE. Mr. President, accuse whom? Accuse the United States. There is not one word of condemnation against the Communists in North Vietnam, nor one word of condemnation against Red China, but there is a heaping of abuse upon the United States, a country that has been the savior of Tito's government in Yugoslavia.

We have given that government \$2,-500 million. In return for that aid, we are subjected to this unwarranted indictment in the eyes of the people of the world.

RESPONSIBILITY OF LICENSEE IN RADIO AND TELEVISION PROGRAMING

Mr. PASTORE. Mr. President, this past January I made a few remarks to the American Women of Radio and Television about television programing and the responsibility of the licensee in this field. I stated at that time:

The tomorrows of broadcasting depend on the intelligence of the industry if it is to continue to be so important a part of the life and love of the American people.

The future requires that broadcasting shall be mindful that it is a creature of the law—licensed to monopolize the air waves—and so dedicated to public service that it

September 27, 1966

CONGRESSIONAL RECORD — SENATE

22921

Bruce Pickens, local car rental executive and one of central Alabama's greatest boating enthusiasts, believes that the day will come when this can be done. And hastening the day, he says, is the prospect that the Coosa and Alabama rivers will become navigable all the way in the future.

Pickens predicts the day is not too far distant when a man can drop his boat in the water as far inland as Rome, Ga., sail down the Coosa into the Alabama, and put out to sea from Mobile.

And he predicts that opening up of these two rivers will usher in a new age of boating in Alabama and lure many who are currently non-boaters to the waterways.

Only last weekend, Pickens launched his fiberglass utility type boat into the Alabama River at Selma and cruised at 33 miles an hour down to the Mobile Causeway.

He made the trip (about 263 miles in eight hours and 28 minutes of running time and burned only 55 gallons of gasoline in his six-cylinder engine.

Accompanying Pickens were his father-in-law, Harvey Pryor of Thomaston, Ga., and the Pickens' two sons, Drew, 9, and Jeff, 7.

Mrs. Pickens, Mrs. Pryor and the two Pickens daughters met the boatmen in Mobile and brought the boat by trailer back to Montgomery.

Pickens probably could have made the trip even faster had he not been weighed down with gasoline. He took seven five-gallon surplus military cans full of gasoline in addition to the 12-gallon and six-gallon tanks on the boat.

The four also carried a nine- by 11-foot tent and an abundance of food. The boat is 16 feet long and 77 inches wide.

They left Selma about 3:30 p.m. Saturday and camped out that night on Stein's Island, 13 river miles north of Claiborne, after getting caught in a discouraging rainstorm. The travelers arrived in Mobile about noon Sunday.

Pickens and his family have been taking boating trips for about eight years.

"It's a wonderful way to spend a weekend," he explained, "and to learn to enjoy being together as a family. I often work from 7 a.m. to 9 or 10 o'clock at night as well as a half day on Saturdays. If we didn't plan these boating trips I would hardly ever have an opportunity to be with my children while they are growing up.

"In boating and camping, a parent can concentrate his full attention on his family, whereas if the hobby were golf or another game there would be other people involved as well as the game to demand your attention, even if your family were with you."

While taking boating trips the Pickens family bones up on the history of the area.

"Do you realize," he pointed out, "that Alabama began on the waterways and there are historic sights on every bank which can be visited and enjoyed? When you see the beauty of Alabama by boat, you wonder why the Indians didn't fight harder to keep it. We've been to Old Cahaba near Selma; Fort Mims, 40 miles south of Claiborne; the historic sights around Mobile and to Fort Toulouse near Wetumpka. Although we have yet to explore North Alabama, there are many choice and historic spots along the waterways there."

Pickens emphasized that a weekend cottage on a lake is usually expensive and much time is consumed in maintenance.

"Boating, on the other hand," he continued, "can be as reasonable as a family wants it to be. A substantial boat and essential camping gear can be purchased at a sum within the means of the average income."

Pickens said "running the rivers" is more interesting and challenging to the boatman

than is a lake outing but it is also much more dangerous.

He does not advocate inexperienced persons trying it without spending some time under the tutelage of a skilled riverman.

"You have to learn the language of the river," he noted. "The water will tell you how to avoid damaging obstacles and where it is deep and shallow. Once you learn this language it is fascinating."

Pickens foresees that river boating will become more popular even for the inexperienced when the Coosa and Alabama become navigable from Mobile to Rome, Ga.

"All you'll have to do then," he predicts, "is put your boat in the water and follow the deep water channel to the Gulf of Mexico. Once you get there, you can go anywhere in the world."

"CUSTOMS AND CULTURE OF VIETNAM"—BOOK BY ANN CADDELL CRAWFORD

Mr. SPARKMAN. Mr. President, in these days when we are so deeply involved in Vietnam, naturally all of us are interested in learning all we can about that country and its people. Recently a young lady from my home State, Ann Caddell Crawford, wrote a book that is interesting, informative, and fascinating.

Ann Crawford, the wife of Maj. William R. Crawford, lived for 2 years in Vietnam, where Major Crawford was stationed. During the time that they were there Ann observed closely and studied deeply the history, background, culture, and customs of the South Vietnamese people. She tells it interestingly in her book "Customs and Culture of Vietnam."

This book has received wide acclaim in the many reviews throughout the country and was selected in June for inclusion in the U.S. Army Special Services book kit.

Mrs. Crawford has rendered a real service to this country. I am glad to acknowledge that service and to commend her for what she has done.

TRIBUTE TO SENATOR HOLLAND ON COMPLETION OF 20 YEARS OF SERVICE IN U.S. SENATE

Mr. SPARKMAN. Mr. President, unfortunately, I was necessarily absent from the Chamber yesterday when a number of our colleagues paid tribute to the Honorable SPESARD HOLLAND upon his completion of 20 years in the Senate.

I came to the Senate about 6 weeks after Senator HOLLAND did. I have had the high privilege of serving with him and being closely associated with him in the Senate during that time.

I can say, as I know every other Senator could say, I know of no Senator more dedicated to the cause of good, sound legislation, more thorough and hard working, than the senior Senator from Florida.

So I am glad to join, even though tardily, with my colleagues in paying tribute to Senator HOLLAND on his completion of 20 years' service in the Senate.

DEFENSE SECRETARY McNAMARA TALKS ECONOMY: WHY NOT PRACTICE IT?

Mr. YOUNG of Ohio. Mr. President, within recent months the Comptroller General has issued two reports regarding wasteful practices in our armed services. With the Defense Department spending over half of our national budget, if real economies are to be made we must root out waste and inefficiency in military expenditures. In July 1963, in a speech in the Senate I deplored the fact that officials of the Army, Navy, Air Force and Marine Corps operate separate recruiting facilities and urged that this wasteful duplication be ended. In 1965, for example, they operated a total of 194 main recruiting stations and 3,140 branch stations, staffed with 11,700 personnel who were assigned some 5,500 vehicles. This has resulted in foolish duplication. The only ones who benefit are the real estate owners who lease office space to the armed services. In one city the four services occupy separate fully equipped offices in separate buildings within a few blocks of each other and the cost of maintaining each ranges from \$2,500 to \$4,000 annually.

In my home city of Cleveland, Ohio, the Army maintains 10 recruiting stations; the Navy 5; the Air Force 8; and the Marine Corps 5—for a total of 28 recruiting stations in that city alone. In Cincinnati, Ohio's second largest city, the Army maintains 4 recruiting stations; the Navy 3; the Air Force 2; and the Marine Corps 2—for a total of 11. The same situation holds true in every metropolitan area in the Nation. The result is an unconscionable waste of taxpayer's money.

I daresay that if some of my colleagues would check the telephone directories in the larger cities in their States, they would find similar situations, and they would clearly realize that if many of these unnecessary recruiting stations were eliminated, we could have additional combat divisions in our Armed Forces, without adding at all to the total number of servicemen.

Furthermore, young men desiring to enlist in the Armed Forces of their country, whether they live on the farm or in the city, have available to them transportation, and would have no difficulty whatever finding the nearest post office at the county seat in rural sections and the main post office or Federal building in municipalities. Why should there be a proliferation of recruiting stations?

A young man who is on his way to enlist in the armed services and spend 3 years, possibly 20 years or longer serving his country, is going to find the recruiting station whether it takes him an hour and a half or only 5 minutes.

There is no reason why these recruiting stations could not be consolidated and all the services jointly utilize office space, furniture, and equipment. Also, recruiting stations too often are located in areas that are not accessible to the public, or the offices themselves are unattractive and small. One-man offices are frequently closed during normal

aged. For example, as much emphasis is placed on aid to the blind as is placed on obtaining foster care or adoption for abandoned and troubled infants. The helpless of all kinds, when helped, means that the family as a unit is helped. This can plainly be seen when we consider how a marriage can be held together by lifting from it burdens that are individually unmanageable. Services of this nature are like pebbles thrown into the waters, where the waves spread forward even unto the farthest shores. The benefits are incalculable, affecting those who are as yet unborn. Some measure of insight into the work of the bureau can be gleaned from the outline of some selected highlights of this past hundred years of service to the community:

In 1866, opened lodging house for homeless boys. Established foster children services.

In 1867, established industrial schools to train young people. Opened kindergarten for children of working mothers.

Year 1890 started program to distribute pasteurized milk to infants.

In 1898, legal aid for needy started with 25 volunteer lawyers.

In 1908, Jewish branch reorganized as Independent Jewish Aid Societies, forerunner of Jewish Family Service.

In 1910, organized housing committee to improve housing conditions.

In 1912, established school lunch program for undernourished children.

In 1912, started free employment service for the needy.

In 1913, established home teaching for the blind and disabled, and sheltered workshops for the handicapped.

The year 1916 provided nursing, ambulance and other medical service to 3,600 victims of Brooklyn's worst infantile paralysis epidemic.

In 1919, nursing affiliate reorganized as Independent Visiting Nurse Association of Brooklyn.

In 1920, established Shelter Island summer camp, now used for the aged and handicapped.

In the years 1930-33, distributed \$1,770,000 in relief to victims of the depression.

In 1946, tuberculosis committee reorganized as Independent Brooklyn Tuberculosis & Health Association.

In 1954, established homemaker service to help families disrupted by illness stay together.

In 1964, printed first braille cookbook of convenience foods.

In 1966, major building program increases capacity of sheltered workshops by 50 percent—grant from New York State Division of Vocational Rehabilitation.

Society is indebted to the Brooklyn Bureau of Social Service and Children's Aid Society. Remember that in this mobile society, the beneficiaries of their services may long have left Brooklyn and moved to other States. As rehabilitated citizens, they serve their newly adopted States in a way they could not have done before. Hence, the significance of the work of the bureau reaches far beyond the boundaries of Brooklyn and even the State of New York.

As John Wise—how apt a name—said in 1776:

Man is not so wedded to his own interest but that he can make the common good the mark of his aim.

Tax Deduction for Political Contributions?

EXTENSION OF REMARKS

OF

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1966

Mr. MATSUNAGA. Mr. Speaker, the Washington Post yesterday carried an editorial which I am sure expresses the sentiment of many of us Members of Congress. It supports the idea of encouraging small contributions to political campaigns by making such contributions tax deductible.

My own State of Hawaii, I am proud to say, has seen the wisdom of this course. Accordingly, as a representative to Congress from Hawaii, I have introduced a bill, H.R. 13936, to effectuate the same desirable situation at the Federal level.

It is my hope that the bill will gain the proper attention of the Ways and Means Committee early next session when reintroduced.

For the perusal of my colleagues I include the editorial in the RECORD:

HIGH COST OF CAMPAIGNS

The public response to reports of astronomical campaign expenditures seems to be a combination of shock and apathy. In part the public indignation is misplaced. It stems from the lingering assumption that all use of money in politics is evil. Actually, of course, men who run for office have encountered spiraling costs no less than hospitals, service industries and others. At the same time the rapid growth of population has made it more costly to reach all the voters. And the increased affluence of our society has encouraged new methods of soliciting votes by larger groups of candidates.

These are not in themselves evil tendencies, and there is nothing bad about spending money to inform voters about the issues in a campaign. The use of money in a campaign becomes a problem only when it is so excessive as to suggest that the candidate is trying to buy his way into office. This evil is multiplied when the campaign funds come from sources that may expect to gain financially from having the beneficiary of their contributions in public office.

The whole question of financing political campaigns would be on a sounder basis if the states as well as the Federal Government allowed tax exemption for small campaign contributions. A recent survey showed that only Minnesota, California, Missouri and Hawaii use this means of relieving candidates from the temptation to rely upon fatcats and concealed corporate financing. President Johnson is trying, so far in vain, to get this principle established in Federal law.

The other highly constructive step which the states could take would be to improve present reporting requirements. Many states have some provisions for publicizing political contributions and expenditures, but few of them inquire into the accuracy of the reports they receive. In some instances the inadequacies of the reports and the multiplicity of political committees lead to concealment of information instead of public enlightenment.

How long will it take the states to see the wisdom of encouraging political giving by the

rank and file to ease the high cost of campaigning? This would make it easier to hold each candidate to a strict accounting for his income and outlays before his constituents.

Pfc. Chester S. Hughes

EXTENSION OF REMARKS

OF

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 12, 1966

Mr. QUILLEN. Mr. Speaker, under unanimous consent I insert at this point in the RECORD a letter which was written to the editor of the Bristol, Tenn., Herald Courier by Pfc. Chester S. Hughes, son of Mr. and Mrs. Horace Hughes, of Route 5, Bristol, Tenn.

I do not know where Private Hughes obtained his information about a Communist Party in North Carolina which aids the Vietcong, but I am very familiar, as are all of us, with the comments by those in high governmental positions and the demonstrations all over the country that have advocated appeasement with the Vietcong, and I can well understand this young soldier's feelings.

I am sure that many, many Americans could write and answer Private Hughes' question regarding why we are fighting there, and I hope that many will write their friends and tell them in their own words why we support our men in Vietnam. I only wish that it had been possible to tell Private Hughes, but notice of his death in Vietnam was received almost simultaneously with his letter.

We must not let other American boys die like this—wondering whether or not those of us here at home care. We must support our fighting men to the fullest extent.

In closing, I again extend my deepest sympathy to Mr. and Mrs. Hughes and their family.

The letter follows:

LETTER FROM VIETNAM

The following letter was received by the Bristol Herald Courier last week:

"SOUTH VIETNAM.

"To the EDITOR:

"I am currently serving a 13-month tour in Viet Nam.

"The other day it was brought to my attention that, in America in the southern state of North Carolina, there is a Communist Party which is sending blood plasma, bandages, etc., to the North Vietnamese Communist regime.

"Sir, I cannot understand how you people let something like that go on right under your noses and do nothing about it.

"You then watch your brothers and sons come over here and expect them to return home safely.

"To what are these young men returning?

"What . . . are we fighting for over here? If that's what the people of the United States think about us being over here, why should we waste 13 months, and maybe lose our lives, fighting over here?

"My fellow Marines and I have discussed this and we are writing to our local newspapers to have this printed so that the people who read this may write and give us their opinion on why we are fighting here.

"Maybe one of them can restore our faith in the people of the U.S.

"Pfc. CHESTER S. HUGHES."

(EDITOR'S NOTE.—Pfc. Chester S. Hughes was serving with the 3rd Marine Division. The son of Mr. and Mrs. Horace Hughes of Route 5, Bristol, Tennessee, he was killed by a land mine near Da Nang province Monday.)

Our Viet Search and Destroy Strategy Pays Off

EXTENSION OF REMARKS OF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 27, 1966

Mr. MURPHY of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following very perceptive article by Josep Alsop which appeared in the New York World Journal Tribune of September 26.

OUR VIET SEARCH AND DESTROY STRATEGY PAYS OFF

(By Josep Alsop)

DANANG.—If you examine the hard evidence here in Da Nang, you have to conclude that the war in Viet Nam is progressing considerably more hopefully than almost anyone supposes at home. General Westmoreland's "search and destroy" strategy, aimed at the enemy's main forces, is clearly beginning to produce major results.

Consider, to begin with, the present position here in the First Corps area. These five most northerly provinces of South Viet Nam were the epicenter of the Buddhist crisis only a few months ago. Today, moreover, the top province of the tier, Quang Tri, has become the new center of the war.

Here elements of two divisions of the North Vietnamese regular army, the 324-B and 341st, have openly invaded South Viet Nam, marching straight across the allegedly demilitarized zone. Until quite recently, open invasion was the sole expedient that Hanoi had not tried. But it is being tried now, with sanguinary obstinacy, and both prisoners and captured documents reveal that the aim is to capture Quang Tri province.

On the face of it, the choice of Quang Tri as the enemy's new prime objective looks like strategic lunacy. In cold military terms, it is in fact lunatic. This country is shaped like a long, thin snake. Quang Tri is the tip of the snake's tail. And you cannot kill a snake by cutting off the tip of its tail.

But by resorting to invasion, it is comparatively easy for Hanoi to mass a big, fresh force in Quang Tri. October, the month before the American election, also happens to be the month of Quang Tri's worst weather, when our planes and helicopters will be considerably handicapped. The aim, in truth, is not military; it is political.

Hanoi obviously hopes to gain a big show-victory—really badly cutting up an American battalion, for instance—before the first Tuesday after the first Monday in November. Thereby, Hanoi further hopes to affect the American election result, as Dienbienphu affected the French political patterns. And Quang Tri has been chosen for this purpose, because of its special advantages above-noted.

If all goes well, pray God, Hanoi's hopes are likely to be cruelly disappointed by the Marines, who have been fighting and driving back North Vietnamese invaders since early in the summer. The pattern of this brilliantly successful fighting furthermore implies even more about the enemy's true situation than the extremely peculiar choice of Quang Tri as the new main theater of war. On paper, in brief, conditions seemed

ideally favorable to the enemy when the 324-B division sent its first six battalions into Quang Tri at some moment in June. On the other hand, the two divisions of South Vietnamese troops in this corps area had been seriously affected by the Buddhist crisis; and the more important, the first division had been rendered all but worthless for the time being.

On paper, on the other hand, the enemy already had most important main forces in this corps area, even before the invasion began. To the southwards, a whole division, the 620th, was in a good position to attack the Marines at Chu Lai. In the north, an independent regiment, the Sixth V.C., was in good position to collaborate with the invading force. And still another regiment, the 94th which mounted the famous attack on the Ashau Special Forces camp, was also carried on the order of battle though not located.

Even when he began deploying his battalions northwards to handle the invading force, the impressive Marine commander, General Lewis Walt, already doubted the existence of the 94th Regiment. At the end of the Ashau battle, the Special Forces camp was very publicly evacuated. Yet thereafter the dead of the 94th Regiment were left hanging on the barbed wire surrounding the camp for months on end. In this war, that is wholly unheard of. It points to a draw, in which we left Ashau and the regiment simply came apart at the seams. Certainly the 94th has not been heard of since.

But as General Walt moved more and more troops out of Chu Lai to join the fighting in Quang Tri, he was more and more apprehensive about the 620th Division, which was being offered such a tempting opportunity. Furthermore, there were grave worries about the rear area of the Marines fighting in Quang Tri's eastern mountain chain; for here the main competition of the V. C. Sixth Regiment was the temporarily demoralized First Vietnamese Division.

In the outcome, throughout all the long weeks of July and August, the Sixth Regiment made only one small and ineffectual venture into combat while the 620th Division made no move whatever to exploit its golden chance.

As a result, today, General Walt considers that these units can be dramatically discounted, as having suffered too heavily in earlier fighting to get in proper combat trim again.

The "search and destroy" strategy is, at bottom, a strategy of attrition. One cannot doubt that the attrition has begun to take a heavy toll of enemy fighting power, for if the enemy had the power, it was madness not to use it in July and August.

Small Increases in Non-Service-Connected Veterans' Pensions Can Be Stretched Further by Participation in Food Stamp Program in Areas Where Program Operates

SPEECH
OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 19, 1966

Mrs. SULLIVAN. Mr. Speaker, I am delighted to vote for this bill to increase benefits for veterans and their dependents receiving non-service-connected pensions. I do not think this bill is

overly generous. As a matter of fact, the assistance it will give to its beneficiaries is strictly minimal. On the other hand, I am conscious of the fact that even this limited amount of assistance will raise costs to the Federal Government by more than \$101 million a year, a very substantial figure at a time when we are experiencing inflationary tendencies.

Actually, it is because so many prices have risen as a result of the inflationary factors in the economy that we must provide assistance to the veterans and their dependents who are subsisting on, or who desperately require, the very moderate monthly non-service-connected veterans' pension.

I wish we could do more. Of course, the House will be guided in this matter by the recommendations of the Committee on Veterans' Affairs which is certainly conscious of the needs of our veterans and which has always been alert to and sympathetic to those needs. I congratulate the committee for acting speedily on this measure and bringing it before the House for passage.

PROVISIONS OF BILL TO BENEFIT VETERANS AND WIDOWS

The bill would provide a cost of living increase for all veterans and their dependents or survivors who are now receiving pensions under Public Law 88-211, as amended, the so-called new law. The rate increase is substantially higher for widows and widows with children in the lowest income categories, reaching in those cases as high as 8½ percent. There is a \$5 a month increase included for more than 56,000 widows of veterans of the Spanish-American and prior wars, whose average age now is 84. Their pensions would increase from \$65 a month to \$70. There is also an increase of \$5 per month in the "house-bound" allowance under current law for veterans, from \$35 to \$40 a month. A new "house-bound" rate of \$100 per month is established for veterans under the old pension law.

Furthermore, a special aid and attendance allowance of \$50 per month is provided for widows receiving pensions under Public Law 86-211, and also under the old pension law, the Spanish-American War, and prior wars, and who are found in need of aid and attendance. The bill also provides for presumption of permanent and total disability for pension purposes on attainment of age 65; for presumption of need for regular aid and attendance for pensioners who are being furnished nursing care in public or private nursing homes; reduction of the 5-year alternative marriage requirement for widows to 1 year; exclusion of income for pension purposes of amounts equal to the sum paid by a wife for the last illness of a veteran prior to his death, and also for the last illness and burial of a veteran's child. There are also some special medical benefits for pensioners entitled to regular aid and attendance.

INCREASES MADE NECESSARY BY HIGHER LIVING COSTS

Many of us are disappointed that no provision is made in this legislation to